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UNITED STATES DEPARTMENT OF AGRICULTURE Agricultural Marketing Administration



No. 16

AMA "WAR BOARD" LETTER

Wash., D.C., May 16, 1942

DEHYDRATED VEGETABLE PROGRAM is nearly ready. Expect public announcement soon to show need for expansion of existing vegetable dehydration facilities based on an increased demand. Probably will show what USDA will do to encourage expansion. Details of program still being worked out, but it is expected that expansion will be directed to bring in those experienced in vegetable processing, through conversion of existing facilities rather than building of new plants. Location of plants will be of primary importance, not only for military reasons, but because Northern-grown vegetables dehydrate better. When program is announced those processors interested will be sent, on request, application forms, now being worked out. Applications will be passed on by a committee composed of representatives from AMA. Army and WPB, which will decide, on basis of location, etc., which plants should be encouraged to expand. Encouragement probably will take shape of contract for definite supply of dehydrated vegetables and assistance in getting priorities from WPB. AMA purchase specifications now in the mill. Program will cover dehydrated white and sweet potatoes, onions, cabbage, carrots, beets and rutabagas. Any dehydration plants in your State subject to expansion would be interested in this.

CONTAINER SITUATION: Plans now under way should result in some agricultural bags being available for West Coast grain producers within short time. attempts will be made to provide for most urgent needs of producers in other sections. Definite program will be announced soon. Egg cases: Nails and wire are scarce and expected to get tighter. Situation being worked on. Optimistic note: Fiber board egg cases have been developed that are standing up well in use - at least 20 trips. OAWR can tell you who makes them. Drums: Sheet steel situation is acute; substitutes will have to be sought. Tin cans: Very bad; in further move toward conservation all defense agencies have set up committee to design sweeping move from tin cans to other containers such as glass, cardboard cartons and bags. (Dehydration looms larger. Watch for something big on this soon.) Paper bags: No immediate problem: OAWR is having hard job selling packaging in paper. New potato producers in Florida tried paper bags this spring with excellent results; Western potato growers have been using them for some time. OAWR cautions against too big paper bags. Best results from holding down to about 50-pound sizes. Bulk shipments: Being looked into. So far recommended only for old potatoes.

LUMBER: Expected to get tighter. Of note in this connection is fact that average haul of virgin timber to mills is about 35 miles and practically all is moving on rubber.

STORAGE: Country, sub-terminal and terminal grain elevators are about full now and harvest still some time off. ODT restriction of lake movement of grains will further tighten situation. Normally about 160,000,000 bushels of grain move over lakes. Restriction is expected to cut this to 40,000,000 to 50,000,000 bushels this year. Only relief in sight so far is increased farm storage. Should be started now. Dept. is working on program to provide prefabricated wood storage for wheat on farms. Cold storage: No serious difficulties so far; survey is being made of facilities to see if they will be

adequate for rest of year. Indication now is that there may be shortage of freezer space in some areas, but cooler space is felt to be more than adequate. Probably be program to convert some cooler space to freezer; an increase of about 10 percent in latter capacity expected to be needed. Conversion would be most efficient way to handle. Dry storage: Fairly favorable; ODT survey found that situation for country as whole is NOT tight yet.

LABOR: OAWR, AAA and US Employment Service have just completed study of action being taken on farm labor situation throughout the country. While a general report will not be made public, discoveries will be used to smooth out rough spots in national situation. Reports probably will be made from time to time on programs that are working. Broadly, survey showed that organization to deal with labor problem is good in Northeast and West, pretty good in North Central region and least good in South. Possible cause is that in areas where labor situation was bad last year (or before) there has been good organization and plans have been worked out to handle situation as well as possible. Where situation is bad now, it's because of lack of realization of seriousness of situation and no organization for planning solution. Two major problems in connection with seasonal labor stand out; lack of housing in some areas has prevented bringing in help from outside the area and transportation troubles, tire and gasoline rationing has hit migrant labor hard.

TRANSPORTATION: USDA in cooperation with ODT is working out program for conservation of farm trucks and tires. So far ODT has asked USDA to push care and maintenance of trucks and tires and promote sharing of transportation facilities, cars and trucks by farmers. This will be promoted through WB's. The big job remaining to be done, however, a broad over-all transportation and conservation program. USDA committee working with ODT is putting finishing touches on plan that includes recommendations for reorganization of truck routes, reciprocal hauling by farmers, pooling of transportation facilities and elimination of certain types of hauls, particularly empty back hauls. Rail transportation is going to get tighter and tighter. May lead to priorities for freight movement.

DRIED FRUIT PURCHASE PROGRAM is in the making. Will cover dried apricots, peaches, pears, prunes, apples, and raisins. Is in line with announcement to growers on May 11 that there would be market for all production. AMA to purchase from growers and packers on basis of federal standards and specifications; will continue to allow growers to deliver lots in excess of tolerances. Prices not worked out yet, but so far as is known, will be supported to growers at not less than parity. Details of program for each fruit will be announced ahead of harvest with apricots first in about a week.

VICTORY FOOD PROGRAM: With the cooperation of producers, shippers, wholesalers and retailers, AMA will increase the consumption and widen the markets for seasonally heavy supplies of perishable farm products, designated "Victory Food Specials." Lettuce is first commodity so featured, with sales program May 11 to 25. Next scheduled campaign will feature onions and potatoes in June. Other "Victory Food Specials" that may be featured if indicated heavy supplies materialize - early peaches, Pacific Coast cherries, California plums, broilers and fryers. Full cooperation of producers and handler groups was pledged at meeting held here this week. National committee will assist in program, Nathan Koenig of AMA Marketing Reports Division is coordinator. Copy of AMAdministrato. Hendrickson's address at meeting with producers and handlers is attached.